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TAGS: [PGOV](#) [EAID](#) [TBIO](#) [SOCI](#) [MR](#)
SUBJECT: GLOBAL FUND INVESTIGATION IN MAURITANIA: FUNDS GO
MISSING

Classified By: CDA Dennis Hankins for reasons 1.4 (b and d)

¶1. (C) Summary: After widespread reports of mismanagement of aid granted to Mauritania through the Global Fund to fight AIDS, tuberculosis and malaria, a Global Fund financial investigation uncovered that nearly 74% of all aid funds to Mauritania were either spent improperly, or were not sufficiently documented as legitimate expenses. Effective September 3, 2009, Mauritania is in suspended status with the Global Fund until USD 1.73 million are reimbursed and USD 2.69 million are properly accounted for, or repaid to the Global Fund. A senior delegation of Global Fund administrators visited Mauritania to meet with the Prime Minister, Minister of Health and Minister of Economy and Development to explain the results and repercussions of their financial investigation. End Summary.

¶2. (SBU) In April 2009, after the detection of a number of financial irregularities of Global Fund payments in Mauritania, an in-depth financial investigation was conducted into the distribution of funds to Mauritania through the Global Fund to fight AIDS, tuberculosis and malaria in Mauritania. The Office of the Inspector General of the Global Fund released the results of their investigation last week, which confirmed that between October 2006 and September 2008, USD 1.73 million were used for fraudulent purposes and an additional USD 2.69 million remain insufficiently justified. (Comment: The period of the audit covers the end of the Transitional Authorities under Col. Ely Ould Mohamed Vall and the democratically elected government of President Abdallahi. Only one month of the period relates to the post-August 2008 military regime headed by then-General Aziz -- subsequently elected President in July 2009 elections. End Comment)

¶3. (SBU) As a result of the investigation, a team of Global Fund staff visited Mauritania September 9-11 to meet with GIRM officials, including the Prime Minister, the Minister of Health and the Minister of Economy and Development. Effective September 3, 2009, the Global Fund grant to Mauritania was suspended.

¶4. (SBU) The Global Fund is asking that the National Executive Secretary for HIV/AIDS, the primary recipient of funds, cease all activity and expenditure using Global Fund resources. The Global Fund is also demanding the removal of those individuals found to be responsible for fraudulent reimbursements.

The grant will remain in suspension until:

-- The Global Fund is reimbursed USD 1.73 million by November 30, 2009

-- The missing USD 2.69 have been properly justified (by September 16, 2009). If not properly justified, these funds must all be reimbursed to the Global Fund.

-- An investigation must be undertaken by the GIRM, commencing no later than September 30, 2009.

--A fully functional Country Coordinating Mechanism (CCM) must be in place to manage Global Fund activities in Mauritania no later than March 30, 2009.

15. (C) The visiting Global Fund team held a meeting with the donor community to discuss their visit and the status of Global Fund operations in Mauritania. They indicated that the corruption was widespread, stretching over a period of two years, with over 74% of Global Fund payments being spent fraudulently or improperly documented; the highest percentage of misused Global Funds in any recipient country to date. It was not possible to direct blame on one individual or government administration as the corruption was so pervasive. While defensive, the GIRM recognized the severity of the problem, stating that they intend to reimburse the USD 1.73 million, but they also criticized the Global Fund for working with members of the NGO community, placing blame on these organizations for the missing funds.

16. (C) The visiting team also met with the Country Coordinating Mechanism (CCM) while in Nouakchott. The meeting was highly disorganized, highlighting the problems facing the Mauritanian CCM. Reactions of members ranged from tearful shame to anger toward the Global Fund and the President of the CCM. The Global Fund team was particularly strong in their condemnation of the fraud and made it clear that the stage of negotiating a response to the fraudulent charges had long passed. The four steps outlined above must be met in their entirety before the Global Fund will consider re-instating Mauritania's agreement. In the meanwhile, distribution of life-saving AIDS/HIV medications will continue uninterrupted through cooperation with the French Red Cross using Global Fund resources.

17. (C) Embassy Nouakchott has long encouraged, with support from other donor partners, and to a certain extent, Global Fund management, to reorganize the highly politicized CCM in Mauritania. The CCM has been under the direction of the Secretary General of the Ministry of Health, meaning that the coordinator of the program was also the largest beneficiary of program funds. While civil society groups are represented on the CCM, they have not had the authority of the GIRM representatives on the CCM. There remains a great deal of hesitancy on the part of the GIRM representatives on the board to relinquish the role of the presidency and to reform the board. This will be the greatest challenge for the coming months. Embassy Nouakchott plans to have the USAID Global Fund Liaison for West Africa visit Mauritania for meetings with CCM members to discuss best practices and ways to reorganize the CCM according to Global Fund recommendations.

18. (C) The visit of the Global Fund team received coverage in the local press. A number of commentators mentioned that the principal recipient of funds in Mauritania, the Executive Secretary for HIV/AIDS (SENLS) was chaired by Dr. Abdallah Horma, the brother-in-law of the Prime Minister and the brother of the Minister of Health. While not publicly named in the investigation, he has complete oversight of the grant and there have been calls for him to be questioned about this situation. President Aziz ran his presidential campaign with claims to fight corruption. The GIRM's response to this current situation will be an opportunity to demonstrate a willingness to follow through on such promises. (Comment: Press is reporting that Horma resigned on September 13. End Comment)
HANKINS